



Sumitomo Mitsui Trust Bank (Thai) Public Company Limited

Pillar 3 Disclosure

September 30th, 2017



Contents

1. Scope of Application	3
2. Capital	3
2.1 Capital Structure	3
2.2 Capital Adequacy	4
3. Additional disclosure of capital information under the BCBS guideline (Composition of capital disclosure requirements)	6

Introduction

Sumitomo Mitsui Trust Bank (Thai) Public Company Limited (the “Bank”), is incorporated in Thailand. The ultimate parent Company during the financial year/period was Sumitomo Mitsui Trust Holding, Inc. and the Bank’s major shareholders and the immediate parent Company during the year/period is Sumitomo Mitsui Trust Bank, Limited (99.99% shareholding). Both companies were incorporated in Japan. The formation of the Bank was registered with Department of Business Development, Ministry of Commerce on July 7th, 2014. The Bank obtained its banking license on August 14th, 2015, and commenced operating as a bank on October 28th, 2015.

All quantitative disclosures are reported in Million Baht.

1. Scope of Application

With pursuant to the BOT notification no. SorNorSor 04/2556 Re: Disclosure of Capital Maintenance Information for Commercial Banks, the Bank is required to disclose capital maintenance function based on ‘Solo basis’. The Bank discloses this report under the Bank’s website at www.smtb.jp/smtbthai/.

2. Capital

2.1 Capital Structure

In this section, it covers the disclosure of the Bank’s capital structure and capital adequacy.

As of September 30th, 2017, the Bank’s capital component comprises Common Equity Tier 1 (CET1) capital. There is no additional tier 1 capital and tier 2 capital. For regulatory capital, the Bank maintains regulatory capital 19,339.40 Million Baht in total.

Table 1: Capital of Locally-Registered Commercial Banks

Unit: Million Baht

Item Details	30 September 2017	31 March 2017
1. Tier 1 capital: SMTB shall disclose the following:		
1.1 CET1, comprising of		
1.1.1 Paid-up capital (common stock) deducted by buyback of common stock	20,000.00	20,000.00
1.1.2 Other items of owner's equity:		
• Accumulated other comprehensive income	(0.15)	(0.62)
• Other items from owner changes	-	-
1.1.3 Items to be deducted from CET1:		
• Total amount of items to be deducted from CET1 e.g. net losses, goodwill, intangible assets, deferred tax asset (DTA), excluding buyback of common stock as specified in 1.1.1. SMTB are not required to elaborate such deductions.	(660.45)	(501.59)
Total Tier 1 capital	19,339.40	19,497.79
Total regulatory capital	19,339.40	19,497.79

2.2 Capital Adequacy

Risk Management Department carries out monitoring of capital adequacy ratio plans by monitoring the status of risk-weighted asset amounts and capital adequacy ratio on a monthly basis. In particular, Risk Management Department monitors that such events as a significant impact on the capital adequacy ratio have not been occurred. In cases where the required capital levels are reviewed due to changes in the strategic targets, risk profile and external business conditions, Risk Management Department examines the need of revising capital adequacy ratio plans as necessary.

The Bank applies Standardised Approach for credit risk weighted assets calculation as well as market risk weighted assets calculations. For operational risk, the Bank has applied Basic Indicator Approach (BIA) in calculation of operational risk weighted assets.

As of September 30th, 2017, the Bank has minimum capital requirement for to absorb each risk under Pillar 1 based on the calculation method specified as above as shown in below table.

Unit: Million Baht

Risk type	Minimum capital requirements
Credit risk	2,251.99
Market risk	13.91
Operational risk	54.85

Table 2: Minimum capital requirement for credit risk classified by type of assets under the SA

Unit: Million Baht

Minimum capital requirement for credit risk classified by type of assets under the SA	30 September 2017	31 March 2017
Performing claims:		
1. Claims on sovereigns and central banks, multilateral development banks (MDBs), and non-central government public sector entities (PSEs) treated as claims on sovereigns	-	-
2. Claims on financial institutions , non-central government public sector entities (PSEs) treated as claims on financial institutions, and securities firms	12.33	56.05
3. Claims on corporates , non-central government public sector entities (PSEs) treated as claims on corporate	2,227.58	1,854.67
4. Other assets	12.08	16.65
Total minimum capital requirement for credit risk under the SA	2,251.99	1,927.37

Table 3: Minimum capital requirement for market risk (SA)

Unit: Million Baht

Minimum capital requirements for market risk under the SA	30 September 2017	31 March 2017
Interest rate risk	13.52	7.54
Equity position risk	-	-
Foreign exchange rate risk	0.39	0.98
Commodity risk	-	-
Total minimum capital requirements	13.91	8.53

Table 4: Minimum capital requirement for operational risk (BIA)

Unit: Million Baht

Minimum capital requirement for operational risk under the BIA	30 September 2017	31 March 2017
Basic Indicator Approach	54.85	47.29
Total minimum capital requirement for operational risk	54.85	47.29

Table 5: Ratio of total capital to risk-weighted assets, ratio of Tier 1 capital to risk-weighted assets and ratio of Common Equity tier 1 to risk-weighted assets

Below table illustrates the ratio of capital to risk weighted assets, the ratio of Tier 1, capital to risk weighted assets and ratio of Common Equity Tier 1 to risk- weighted assets.

Ratio	30 September 2017			31 March 2017		
	Capital ratio of the bank	Minimum Capital Requirement Ratio	Minimum Capital Requirement and Capital Buffer Ratio*	Capital ratio of the bank	Minimum Capital Requirement Ratio	Minimum Capital Requirement and Capital Buffer Ratio*
1. Total Capital Ratio	70.83	8.50	9.75	83.57	8.50	9.75
2. Tier 1 Ratio	70.83	6.00	7.25	83.57	6.00	7.25
3. Common Equity Tier 1 Ratio	70.83	4.50	5.75	83.57	4.50	5.75

*Capital buffer requires an additional Common Equity Tier 1 at 0.625 percentage points per annum from 1 January 2016 onwards until reaching 2.50 percentage points on 1 January 2019.

3. Additional disclosure of capital information under the BCBS guideline (Composition of capital disclosure requirements)

Key features of financial instruments to be included in the capital

No financial instruments to be included in the capital.

Disclosure of capital in transitional period under the Basel III guideline (Transitional period)

Details of the items related to capital to be phased in or phased out under the Basel III guideline.

Table 6: Disclosure of capital in transition period under Basel III guideline

Unit: Million Baht

Value of capital, inclusions, adjustments and deductions for the period of September 2017		Net amount of item to be included in or deducted from capital under the Basel III
In case of locally-registered bank		
<u>Tier 1 capital :</u>		
<u>Common equity tier 1 (CET1)</u>		
1.1	Items eligible for inclusion in CET1	19,999.85
	Paid-up capital	20,000.00
	Gain (loss) on measuring available-for-sale investments (fixed income)	(0.15)
1.2	<u>adjusted by</u> regulatory adjustment to CET1	-
1.3	<u>Less</u> deduction from CET1	660.45
	Net Losses	546.31
	Intangible assets	33.29
	Deferred tax asset	80.85
	Net CET1	19,339.40
<u>Additional tier 1</u>		
1.4	Items eligible for inclusion in Additional tier 1	-
1.5	<u>Less</u> Items to be deducted from Additional tier 1	-
	Net Additional tier 1	-
	Total Tier 1 capital (CET1+ Additional tier 1)	19,339.40
<u>Tier 2 capital :</u>		
1.6	Items eligible for inclusion in Tier 2 capital	-
1.7	<u>Less</u> deduction from Tier 2 capital	-
	Total Tier 2 capital	-
	Total capital (Tier 1 and Tier 2 capital) of locally-registered commercial bank	19,339.40